

Message Text

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PAGE 01 STATE 048087
ORIGIN EA-12

INFO OCT-01 ISO-00 ABF-01 SSO-00 SIG-03 MMO-04 /021 R

DRAFTED BY EA/EP:MHENDERSON:SRP

APPROVED BY EA/EP:AGEBER

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FM SECSTATE WASHDC

TO AMEMBASSY SINGAPORE IMMEDIATE

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

UNCLAS STATE 048087

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: SECTION 911 AND 912

1. THE GAO REPORT "IMPACT ON TRADE OF CHANGES IN TAXATION OF US CITIZENS EMPLOYED OVERSEAS" HAS BEEN RELEASED ON FEBRUARY 22. IN A 100 PAGE REPORT, WHICH STRONGLY EMPHASIZES THE NEED FOR THE US REMAIN COMPETITIVE IN THE TRADE FIELD, THE REPORT PRESENTS POLICY OPTIONS TO CONGRESS WHICH ARE SUMMARIZED AS FOLLOWS:

TAXATION OF AMERICANS WORKING ABROAD IS PART OF THE CONTINUING CONFLICT AMONG THE TAX POLICY OBJECTIVES OF RAISING REVENUE, ACHIEVING TAX EQUITY, ACHIEVING TAX SIMPLIFICATION, AND ACHIEVING OTHER SPECIAL AIMS OF PUBLIC POLICY. BASIC OPTIONS INCLUDE FULLY TAXING, PARTIALLY TAXING, OR MAKING TAX FREE ALL ALLOWANCES AND FOREIGN-EARNED INCOME. OPTIONS FOR GRANTING A GREATER OR LESSER TAX INCENTIVE THAN NOW EXISTS INCLUDE ADJUSTING THE EXISTING GENERAL EXCLUSION, UNCLASSIFIED

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GRANTING SPECIAL DEDUCTIONS FOR EXTRAORDINARY COSTS, OR MODIFYING AVAILABLE TAX CREDITS. GAO IDENTIFIES A VARIETY OF SUBOPTIONS WITHIN EACH OPTION TOGETHER WITH THE ADVANTAGES AND DISADVANTAGES OF EACH.

THE PREFERRED OPTION MUST BE CHOSEN BY THE CONGRESS

IN THE LIGHT OF THE OBJECTIVES IT DEFINES.

BECAUSE OF THE SERIOUSNESS OF THE DETERIORATING US
INTERNATIONAL ECONOMIC POSITION, THE RELATIVELY FEW
POLICY INSTRUMENTS AVAILABLE FOR PROMOTING US EXPORTS
AND COMMERCIAL COMPETITIVENESS ABROAD, AND UNCERTAINTIES
ABOUT THE EFFECTIVENESS OF THESE, SERIOUS CONSIDERATION
SHOULD BE GIVEN TO CONTINUING SECTION 911-TYPE
INCENTIVES OF THE INTERNAL REVENUE CODE, AT LEAST UNTIL
MORE EFFECTIVE POLICY INSTRUMENTS ARE IDENTIFIED AND
IMPLEMENTED.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, TAXES, FOREIGN WORKERS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE048087
Document Source: CORE
Document Unique ID: 00
Drafter: MHENDERSON:SRP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780086-0574
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780215/aaaaamit.tel
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Litigation History:
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Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3483071
Secure: OPEN
Status: NATIVE
Subject: SECTION 911 AND 912
TAGS: EFIN, AGAO, US, XX
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Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/33b638d0-c288-dd11-92da-001cc4696bcc
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